Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495
802-879-5900

Agency of Human Services

STATE OF VERMONT

REQUEST-FOR-PROPOSALS

- FOR -

SPECIALTY PHARMACY SERVICES

Date of Issuance: August 22, 2007
Proposal Due Date: September 14, 2007

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INTRODUCTION

The State of Vermont is issuing this Request-For-Proposal (RFP) for Specialty Pharmacy Services for beneficiaries enrolled in its publicly funded pharmacy benefit programs.

The document contains the following sections:

Background: This section describes the background information regarding this RFP.

Section I. - General Procurement Information and Procedures: This section is used to inform Providers of the general procurement conditions under which the RFP is issued.

Section II. - Information Required from Providers: This section provides instructions regarding the format and nature of the information Providers must provide in a proposal.

Section III. – Provider Services: This section is a description of the services to be provided through the Provider Agreement that results from this RFP. It is the most important portion of the RFP. Providers shall use this section as a guideline for responding to the information required in a proposal.

Section IV. - Evaluation Methodology: This section describes the methodology the State will use to evaluate the proposals submitted in response to this RFP.

Section V. - Provider Agreement Terms and Conditions: This section describes the Provider Agreement terms and conditions that will be a part of any Provider Agreement that results from this RFP.

Acronyms and Definitions: Those used by OVHA or in the RFP are located at the end of this RFP.

BACKGROUND

Vermont Publicly Funded Health Insurance Program History

The State of Vermont executed a broad-based reform of its Medicaid program in 1995 through the implementation of a Section 1115(a) Research and Demonstration waiver to the Social Security Act. This waiver created the Vermont Health Access Plan (VHAP). VHAP allowed for the provision of health coverage for uninsured adults who were otherwise ineligible for health coverage under the Medicaid program. In addition, VHAP included the provision of a pharmacy benefit to elderly or disabled Vermonters who did not have this coverage under Medicare.

In 2005, a new 1115(a) waiver was approved by CMS. Under this waiver, the Global Commitment to Health, certain federal Medicaid requirements found in Title 19 of the Social Security Act are waived. With this waiver, the Medicaid Program in Vermont became a Managed Care Organization (MCO) and tools became available for the state, in partnership with the federal government, to address future program needs in a holistic, global manner.

Vermont's Medicaid programs with pharmacy benefits operate under the Global Commitment. These include traditional Medicaid and Medicaid waiver expansions which include VHAP, VHAP Pharmacy, and VScript.

In addition to Medicaid, the State administers a State Children's Health Insurance Program (SCHIP) and several publicly funded programs with a pharmacy benefit. Currently these other programs are a federally designated State Pharmacy Assistance Program (SPAP) called VScript Expanded that provides for coverage for Medicare Part D eligibles for deductibles, copayments, and expenses in "the donut hole"; the AIDS Medication Assistance Program (AMAP); an emergency needs program called General Assistance; and a pharmacy discount option called the Healthy Vermonters' Program.

The Office of Vermont Health Access (OVHA), an office within the Agency of Human Services (AHS), manages all publicly funded programs except for AMAP and General Assistance. That management includes all aspects of the pharmacy benefits.

In July 2007, Vermont provided coverage to 139,049 beneficiaries in all of its programs.

Pharmacy Benefit Management (PBM) in Vermont Publicly Funded Programs

Vermont's pharmacy benefit management initiative emerged from a February 2000 meeting of the Governors of Maine, New Hampshire and Vermont. The focus of the meeting was to discuss a number of health and insurance-related issues. All three states were experiencing rapidly rising prescription drug use and expense in their publicly administered programs and there was a common interest in better management of this benefit area. The result was the Tri-State Pharmacy Initiative where the objectives were to enhance quality of care, control pharmacy expenditures for individuals who were provided coverage, reduce program administrative costs, and improve access.

Since that time, the Vermont Health Access PBM Program has implemented many diverse approaches in pharmacy benefit management to assure quality of care; control pharmacy expenditures; and reduce state administrative costs. These include:

- pharmacy benefit management (PBM) vendor services to provide necessary expertise;
- expanded and more intensive provider education;
- automated step therapy and detailed messaging at the pharmacy point of sale during drug claims processing;
- a Preferred Drug List (PDL) for select classes managed under the guidance of Vermont's Drug Utilization Review Board;
- a prior authorization (PA) program with requirements for clinical PAs on specific drugs and PAs for drugs not preferred on the PDL;
- enhanced application of the Vermont Statutes' generic drug requirements;
- prospective and retrospective drug utilization review (DUR) and other techniques to prevent inappropriate drug dispensing and use;
- Maximum Allowable Cost (MAC) pricing; and
- a multi-state supplemental drug rebate effort under the aegis of the Sovereign States Drug Consortium (SSDC).

Prescription Drug Cost Trends

Medicaid is a significant and ever-growing portion of the State of Vermont's budget. Within Medicaid, prescription costs continue to represent a substantial portion of total expenditures. Medicaid pharmacy spending for SFY 2008 is projected to represent approximately 19.5% of total Medicaid spending. Pharmacy expenditures net of manufacturer rebates have increased from under $90 million in SFY 2000 to a projected $120.6 million in SFY 2008. That growth is in spite of the transition of many elderly and disabled Medicaid beneficiaries to primary Medicare coverage.

Specialty Pharmacy Services

Specialty pharmaceuticals are identified as one of the fastest growing segments of the State's pharmacy programs. Industry projections indicate that this segment will continue to grow.

In March of 2005, a RFP was issued for the re-procurement of PBM vendor services. A specialty pharmacy component was included in that RFP. This component was included based on a request for statutory authority to allow the Vermont Health Access PBM program to require beneficiaries to purchase prescription drugs using mail order for selected pharmacy products.

MedMetrics Health Partners, Inc. (MedMetrics) was selected to be the new PBM vendor beginning January 2006. However, no specialty pharmacy provider was selected in that procurement. At this time, the State is expanding its pharmacy management program to include a single provider for specialty drugs.

The State seeks the assistance of those in the business of specialty pharmacy services to manage the complex therapies associated with chronic diseases that commonly require the use of unique

drugs. This RFP is intended to invite innovative clinical and cost reduction program proposals that ensure the appropriate and compliant use of specialty products for the Medicaid and State covered populations identified in this RFP.

The State has identified four specific categories for its management program: respiratory syncytial virus (RSV) treatment drugs, multiple sclerosis drugs, growth hormones, and hemophiliac factor. These categories were selected because of the vulnerable patient population requiring these complex therapies and the particular importance of these products. In issuing this RFP, the state expects to offer physicians and patients enhanced management of these treatments.

The State's initial product for management will be Synagis® for the 2007-2008 season. Upon successful implementation of this program, it is the intention of the state to continue to rely on the selected vendor to implement remaining products and/or additional specialty products as may be identified over the term of the Provider Agreement that results from this RFP.

Specialty Drug Covered Populations

Children's coverage: Traditional Medicaid, Medicaid Expansions, and the State Child Health Insurance Program (SCHIP)

Children in these programs must meet income, resource, and categorical requirements for eligibility. Beneficiaries are provided a comprehensive set of health benefits, including prescription drug coverage. Children are eligible for coverage in traditional Medicaid, in Medicaid expansions, or SCHIP if family income is under 300% of the Federal Poverty Level (FPL). Collectively, all coverage for children is commonly referred to as Dr. Dynasaur regardless of whether it is provided through Medicaid or SCHIP. In July 2007, there were 55,329 children under the age of 18 in Vermont's programs.

Adult Coverage: Traditional Medicaid and the Vermont Health Access Plan (VHAP)

Adults covered in Traditional Medicaid and VHAP must meet income, resource, and other requirements for eligibility. Beneficiaries are provided a comprehensive set of health benefits, including prescription drug coverage. Adults may be eligible with incomes up to 150% of the FPL without dependent children in their households or up to 185% of the FPL with dependent children in the household. Pregnant women may be eligible up to 200% of the FPL. In July 2007, 66,598 adults were covered in Traditional Medicaid and VHAP.

Adult Coverage: VHAP Pharmacy, VScript

Adults covered in VHAP Pharmacy and VScript must meet income, resource, and categorical requirements for eligibility and cannot be eligible for the Medicare Part D benefit. VHAP Pharmacy and VScript beneficiaries are provided prescription drug coverage. Adults may be eligible with incomes up to 175% of the FPL. In July 2007, 45 adults relied solely on VHAP Pharmacy and VScript for prescription drug coverage.

Specialty Drug Expenditure and Utilization Data

The State has identified four drug categories for its specialty management program: RSV drugs, particularly Synagis®; multiple sclerosis products; growth hormones; and hemophiliac factor.

Expenditures and unduplicated users for specialty products for the four conditions covered by this RFP for the State Fiscal Year 2007 (July 1, 2006 through June 30, 2007) are identified in the following:

Products	*Expenditures*	*Users*
RSV treatment	$1,039,297	189
MS drugs	$1,218,324	111
Growth Hormones	$823,946	53
Hemophilia drugs	$313,417	7

RFP OBJECTIVES

The State's primary objectives in issuing this RFP are to enhance the quality of care for patients; assure access to the specialty drug services for those who require them; manage pharmacy expenditures on behalf of the related patients for whom the State provides coverage; and reduce program administrative costs.

USE OF THE TERM "STATE" AND "PROVIDER"

The term "State" is used throughout this RFP. This term describes the State of Vermont that is issuing this RFP. The Office of Vermont Health Access is managing this RFP on behalf of the State.

The term "Provider" is used throughout this RFP. This term refers to the entity that is responding to this RFP.

SECTION I.

GENERAL PROCUREMENT INFORMATION AND PROCEDURES

This section presents general procurement information pertaining to the State of Vermont.

This Request-For-Proposal (RFP) is designed to elicit proposals from qualified Specialty Pharmacy Providers, one of whom will be selected to be solely responsible for providing these services for the populations specified in this RFP.

Prospective Providers are expected to carefully examine all documentation, schedules, and requirements stipulated in this RFP and respond to each requirement in their proposals in the format prescribed.

The selected Provider must provide all staffing, systems, and procedures required to perform the services described herein. Please note that the Provider's claims processing capabilities do not require any specific Center for Medicare and Medicaid Services (CMS) certification other than what is required of any Medicaid provider. In addition, the Provider must have the capacity to submit individual claims electronically through the state's PBM vendor, MedMetrics.

The Provider Agreement awarded as a result of this solicitation shall be based on the pricing methodology proposed by the Provider and the requirements contained in section II-H of this RFP, Price Proposal.

In addition to the provisions of this RFP and the winning proposal, which shall be incorporated by reference in the Provider Agreement, any additional clauses or provisions required by federal or state law or regulation in effect at the time of execution of the Provider Agreement will be included.

The State reserves the right to issue a Provider Agreement without any further discussion with the potential Provider regarding the proposals received. Therefore, proposals should be submitted initially on the most favorable terms available to the State from a price and technical standpoint. The State, however, reserves the right to conduct discussions with all responsible parties who submit proposals that pass the initial screening process described in Section IV of this RFP.

ISSUING OFFICE

The State of Vermont has issued this RFP. The following person is the point of contact from the date of release of the RFP, until the selection of the successful Provider.

Procurement or Issuing Officer:

Ann Rugg
Deputy Director
Office of Vermont Health Access

312 Hurricane Lane, Suite 201
Williston, Vermont 05495
Telephone: 802-879-5901
E-mail: ann.rugg@ahs.state.vt.us

Alternate Procurement or Issuing Officer:

Deborah Stempel, Contracts Administrator
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495
Telephone: (802) 879-5926
E-mail: deborah.stempel@ahs.state.vt.us

The Director of the Office of Vermont Health Access is:

Joshua Slen, Director
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495
Telephone: (802) 879-5901

From the issue date of this RFP until a Provider is selected and announced, Providers are not allowed to contact any State staff regarding this RFP. The State will not accept verbal questions. Questions regarding this RFP must be submitted in writing as described below. Please note that nothing within this requirement shall be interpreted to prevent the Provider from contacting the State regarding its general provider enrollment process or with complaints. Contact with State personnel is also permitted in the performance of existing Provider Agreements or contracts or as allowed in response to other, non-related solicitations.

I-A GENERAL INFORMATION

The following general information pertains to this procurement:

1) Issuing Authority: The State of Vermont is issuing this Request-For-Proposals (RFP).

2) Letter of Intent: A Letter of Intent to submit a proposal in response to this RFP **is** required. A letter of intent from the Provider is necessary as only those prospective Providers who have submitted a Letter of Intent will receive all subsequent mailings related to the RFP, including answers to written questions submitted to the State and/or RFP amendments. All information disseminated will also be available in the Library for this RFP. Letters of intent will be received until 4:00 p.m. (EST) on August 29, 2007. Those Providers not submitting a Letter of Intent are **not** permitted to submit proposals in response to this RFP. Letters of Intent must include the name of the company, the name of the primary contact, the primary contact person's title, a telephone number and a fax number where this individual can be reached, and his/her mailing and e-mail addresses.

Letters of Intent should also include any questions the Provider has concerning this solicitation. Letters of intent may be mailed, e-mailed or faxed to:

Ann Rugg
Deputy Director
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495
Telephone: 802-879-5901
Fax: 802-879-5962
E-mail: ann.rugg@ahs.state.vt.us

3) Written Questions and Answers: Providers may submit in writing with the Letter of Intent questions raised by this RFP.

Written questions received later than 4:00 p.m. EST, **Wednesday August 29, 2007**, shall not be answered. The State may consolidate and/or paraphrase questions for clarity. The intention is to mail out answers to written questions by Wednesday, September 5, 2007. The questions can be submitted via fax or e-mail; however, the State assumes no liability for assuring accurate/complete fax/e-mail transmission/receipt and will not acknowledge receipt except by addressing the question.

I-B PROCUREMENT PROCESS

The following subsections provide information on the process to be followed for various procurement events:

1) Legal Basis: The procurement process for this RFP shall be conducted in accordance with applicable procurement policies and procedures established by the State of Vermont.

2) RFP Issuance and Amendments: State Officials within Vermont reviewed this RFP. The contents represent the best statement of the requirements and needs of the State. Final approval of a Provider Agreement rests with the State.

3) Proposal Submission Requirements: Late submissions shall not be accepted. **Proposals that arrive late will not be accepted and will be returned to the sender unopened.** Delivery of the proposals shall be at the Provider's expense. The time of receipt at the designated office is the time-date stamp on the proposal wrapper or other documentation of receipt maintained by the State. The State accepts no responsibility for mislabeled mail or misdirected delivery. Any and all damage that may occur due to shipping shall be the Provider's responsibility. Each Proposal shall be enclosed in a separately sealed envelope or package.

The original and five (6 total) paper copies of the Proposal must be submitted under sealed cover and labeled on the outside as follows:

"VERMONT MEDICAID SPECIALTY PHARMACY PROPOSAL"

One copy of the proposal shall be signed by an official authorized to legally bind the Provider, and shall be marked:

"ORIGINAL"

The face of the package containing the original and copies, whether mailed or hand-delivered, shall bear the following legend:

"VERMONT MEDICAID SPECIALTY PHARMACY PROPOSAL – CONFIDENTIAL – OPEN BY ADDRESSEE ONLY."

A copy of the entire proposal must also be submitted in an electronic format on one CD. The CD should use Microsoft Word and Excel as appropriate. The Technical/Programmatic Proposal should be as brief and concise as is possible. The Provider Services Section should be as succinct as possible. It is requested that this be no more than twenty (20) pages, plus any attachments. Responses that are unduly lengthy or verbose will be scored less favorably than will those that are brief and concise. Providers must use 12-point font, and line spacing must be 1.5. Any financial information provided on spreadsheets must be provided in Excel. Gantt charts must be provided where applicable.

The format and content requirements for the Technical/Programmatic and Cost Proposal must adhere to the instructions contained in this section of the RFP. Failure to respond to a specific requirement may be used as a basis for rejection of the proposal from further consideration, or result in a score of zero or a fail for a particular item. Emphasis should be placed on conformance to the RFP instructions, responsiveness to requirements, and completeness and clarity of content. Elaborate proposals are neither necessary nor desired. If the Provider's proposal is presented in a fashion that makes evaluation difficult or overly time consuming, it is likely that points will be lost in the evaluation process. Providers shall not include any personal use items with the proposal.

Each proposal part must be bound separately on standard 8 ½" by 11" paper, except that charts, diagrams, and the like may be on fold-outs which, when folded, fit into the 8 ½" by 11" format. Pages may be consecutively numbered for the entire proposal, or may be numbered consecutively within sections. Figures and tables must be numbered and referenced in the text by that number. They should be placed as close as possible to the referencing text.

All proposals must be delivered no later than 4:00 p.m. EST on **Friday September 14, 2007**, and only to the address below. At 4:30 p.m. the same day, there will be a public proposal opening also at the address cited below. The public proposal opening will be administered by two employees of the Office of Vermont Health Access. Note that only the names and addresses of Providers shall be read at that time.

Deliver Proposals to:

Ann Rugg
Deputy Director
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495

Telephone: 802-879-5901
Fax: 802-879-5962
E-mail: ann.rugg@ahs.state.vt.us

I-C PROPOSAL WITHDRAWAL

Prior to the proposal due date, a submitted proposal may be withdrawn by submitting a written request for its withdrawal signed by the Provider's authorized agent and sent to Ann Rugg, at the Office of Vermont Health Access, at the address cited in Section I-B.

I-D ACCEPTANCE OF PROPOSALS

The State shall accept all proposals submitted according to the requirements and deadlines specified in this RFP. The State reserves the right to reject any or all proposals received. It is understood that all proposals, whether rejected or not, will become the property of the State. After receipt of proposals, the State reserves the right to sign a Provider Agreement, without negotiation, based on the terms, conditions, and premises of this RFP and the proposal of the selected Provider.

All proposals must be responsive to all requirements in the RFP in order to be considered for execution of a Provider Agreement.

After the opening of proposals, the State may ask any Provider for written clarification of their proposal. In the event this clarification is requested, submission of the clarification shall be considered an amendment to the proposal.

The State reserves the right to waive minor irregularities in proposals, providing such action is in the best interest of the State. Where the State waives minor irregularities, such waiver shall in no way modify the RFP requirements or excuse the Provider from full compliance with RFP specifications and other Provider Agreement requirements if the Provider is granted a Provider Agreement. The State also reserves the right to reject any and all proposals received, or cancel this RFP, according to the best interest of the State.

Proposals must be valid for 180 days following the closing date of this RFP. This period may be extended by written mutual agreement between the Provider and the State. Any proposal submitted shall not be available for disclosure until a Provider Agreement is executed between the successful Provider and the State.

I-E ORAL PRESENTATIONS

At the State's option, oral presentations by selected Providers may be required. Providers will be notified if an oral presentation is required. Any cost incidental to an oral presentation shall be borne entirely by the Provider and the State shall not compensate the Provider. The Providers may be requested to provide demonstrations of components of their program as part of their presentations.

The Providers should present complete, comprehensive proposals without relying on oral presentations, because the State reserves the right to award a Provider Agreement without further discussions.

I-F SITE VISITS

At the State's option, a site visit may be requested for the purpose of reviewing the Provider's organizational structure, sub-contractor agreements, policy and procedures, and any other aspect of the proposal that directly affects the provisions of the RFP/Provider Agreement and the delivery of specialty pharmacy services. Any Provider costs incidental to the site visit shall be borne by the Provider.

A readiness review may also be conducted on-site at the selected Provider's facilities following execution of a Provider Agreement and prior to implementation of the Specialty Pharmacy services.

I-G PROVIDER AGREEMENT AWARD NOTICE

The notice of the intention to execute a Provider Agreement shall be sent to all Providers who submitted a proposal.

I-H PROTEST OF INTENDED AWARD

Should there be any protests of an intention to execute a Provider Agreement; the appropriate State requirements will be employed.

I-I PROCUREMENT TIMETABLE

The State expects to adhere to the schedule shown below. It should be noted, however, that dates are subject to change.

ACTIVITY	DATE
Release of RFP Provider Library Available	Wednesday August 22, 2007
Letter of intent to Bid Due from Providers (required) Written Question Deadline	Wednesday August 29, 2007, 4:00 pm
Provider Conference	None

State Response to Q&A	Wednesday September 5, 2007
Due Date for Submission of Proposals	Friday September 14, 2007, 4:00 PM
Expected Date of Selection of Preferred Provider	Friday September 21, 2007
Negotiation/Execution of Provider Agreement	Monday September 24, 2007 – Friday September 28, 2007
Beginning Date for Specialty Pharmacy Services	Monday October 1, 2007

I-J RESTRICTIONS ON COMMUNICATIONS WITH STATE PERSONNEL

From the issue date of this RFP until a Provider is selected and announced, Providers are not allowed to communicate with any State staff. **All communications related to this RFP are restricted to written communications except as set forth below and in the Section labeled "Issuing Office" in Section I.** Letters of intent and written questions may be mailed, e-mailed, or faxed by the deadlines included herein to:

Ann Rugg, Deputy Director
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495
Fax: 802-879-5962
E-mail: ann.rugg@ahs.state.vt.us

Violation of this restriction may result in disqualification of the Provider's proposal. The only *exceptions* to these restrictions are:

- RFP Library for purposes of obtaining logistical support only and
- Discussion with State staff attending an oral presentation by the Provider.

As described in this RFP, any clarification regarding the RFP will be issued in writing by the State. No statements, clarifications, or opinions regarding this RFP are valid or binding except those issued in writing by the State. **Under no circumstances will questions be entertained except in writing.**

I-K LIBRARY LISTING

The Library for this RFP may be found at http://ovha.vermont.gov/, the Vermont Medicaid home page. The following documents are included in the Library:

- Vermont Medicaid Provider Manual
- Vermont's Preferred Drug List (PDL)
- Vermont Medicaid Provider Agreement

I-L AWARD

The State reserves the right to issue a Provider Agreement that includes the total proposal or parts thereof or to reject any and all proposals in whole or in part if the best interest of the State shall be so served. In determination of awards, the qualification of the Provider, the conformity with the specifications of services to be supplied and the delivery terms shall be considered.

SECTION II.

INFORMATION REQUIRED FROM PROVIDERS

The Provider's proposal must be submitted in the format outlined below. There should be no attachments, enclosures, or exhibits other than those considered by the Provider to be essential to a complete understanding of the proposal submitted. **Each section of the proposal should be clearly identified with appropriate headings**:

II-A TRANSMITTAL LETTER

A transmittal letter must accompany the proposal, signed in ink by an official authorized to bind the Provider to the proposal's provisions. The letter must include a statement that the RFP's terms are accepted. Providers must also include a statement in the letter certifying that the price was arrived at without any conflict of interest.

An "information sheet" containing the following must also accompany the transmittal letter:

- Name of company or individual
- Mailing address
- Street address (for FedEx or other mail service)
- Company Federal ID Number (or if an individual, the Provider's social security number)
- Name and title of the person who would sign the provider agreement
- Name and title of the company contact person (if different)
- For each key person: direct telephone number, fax number and e-mail address.

II-B BUSINESS ORGANIZATION

- State the full name and address of the Provider organization and, if applicable, the branch office or other subordinate element that will perform, or assist in performing, the work described in the proposal.
- Indicate whether the Provider operates as an individual, partnership, or corporation; if as a corporation, include the state in which it is incorporated.
- State whether it is licensed to operate in the State of Vermont.
- If applicable, list all sub-contractors: include firm name and address, contact person, and complete description of work to be sub-contracted. Include descriptive information concerning the sub-contractor's organization, abilities, and commitment to the period of time that will be covered by the Provider Agreement.
- Please provide annual audited financial reports for the past three (3) years for the Provider and any sub-contractor.
- Identify all owners and subsidiaries that own more than five (5) percent of the organization.
- If the Provider is an affiliate of another organization, submit the financial information for the parent company and describe the relationship.

II-C LOCATION

Indicate the site or sites from which the Provider will perform the relevant tasks embodied in the proposal. It is possible that the Provider may wish to change the site(s) for some of these tasks during the term of the provider agreement. Please describe the Provider time line in this regard if applicable.

Specifically identify where the following activities will take place:

- Distribution of specialty products
- Utilization management of specialty products
- Reporting
- Beneficiary and provider services
- Account management

II-D AFFILIATIONS

Describe all affiliations or ownership relationships with potential suppliers of pharmaceuticals or retail pharmacy services to the State, including:

- Retail pharmacy services
- Mail order pharmacy services
- Drug manufacturing
- Drug distribution

Explain how the Provider can assure the State that these relationships will not create a conflict of interest with the State.

Describe all sub-contractor relations that will pertain to services performed under any Provider Agreement resulting from this RFP. Please indicate whether all appropriate business agreements required by HIPAA are current and available for audit by the State.

II-E RELEVANT EXPERIENCE

This RFP is regarding all specialty pharmacy services. Describe the Provider's experience with providing specialty pharmacy services.

References

Proposals must include at least three (3) business references that demonstrate the Provider's prior experience in providing specialty pharmacy services. Each reference must include the name, address and phone number of the client, organization, and the responsible project administrator familiar with the Provider's performance. Include a description of any unique services the Provider is offering to these clients and the number of covered lives. If the Provider is presently providing these or similar services for other state Medicaid and publicly funded health insurance

programs, those references must be included. Additional references will need to be provided if requested by the State.

II-F PROVIDER ORGANIZATION AND STAFFING

The Provider is responsible for providing all resources necessary to develop, implement and operate the services as specified in this RFP. Notwithstanding this general requirement, the State requires that the Provider commit to a specified staff resource that will act as single point of contact for the services that will be provided.

II-G METHODOLOGY AND APPROACH

Providers will be scored, in part, on the methodology and approach proposed in the proposal. Be as specific as possible in addressing the elements described in each section within Section III, Statement of Provider Services, of this RFP. Providers should include a proposed and detailed implementation timeline and Gantt chart that identifies activities following execution of a Provider Agreement with the state. This should be included within the proposal submitted.

II-H PRICE/COST PROPOSAL

Independent Price Determination

1. By submission of a proposal, the Provider certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:

    a) The prices in the proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition as to any matter relating to such prices with any other Provider or with any competitor; and
    b) Unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the Provider and shall not knowingly be disclosed by the Provider prior to award directly or indirectly to any other Provider or to any competitor; and
    c) No attempt has been made or shall be made by the Provider to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

2. Each person signing the proposal certifies that she/he:

    a) Is the person in the Provider's organization responsible within that organization for the decision as to the prices being offered in the proposal and has not participated (and shall not participate) in any action contrary to 1. a., b., and c. above; or
    b) Is not the person in the Provider's organization responsible within that organization for the decision as to the prices being offered in the proposal but has

been authorized to act as agent for the persons responsible for such decision in certifying that such persons have not participated (and shall not participate) in any action contrary to 1. a., b., and c. above.

Should the Provider be awarded a Provider Agreement resulting from this RFP, and be found to have failed to abide by the provisions set forth in this Section, said entry shall be in default of the provisions of this RFP and subject any executed Provider Agreement to possible cancellation.

Configuration of the Price/Cost Proposal

- Drug prices/rates quoted must be in the form of a percentage reduction against AWP ("AWP minus"). All prices/rates quoted should be for the maximum for a period of three (3) years from the date that the Provider Agreement becomes effective.
- Reductions in prices may be implemented immediately following notice to the State.
- The Provider must be specific about the cost savings that the State will be able to achieve, including any methodologies for tracking and measuring results and methodologies for establishing baselines and proving projected cost savings.
- Cost reductions generally should be expressed as percentage reductions in an identified drug class. However, the Provider is free to include other methods in their price proposal.

Instructions

1. Providers should provide their proposed costs by filling in the shaded areas of the price proposal below.

2. It is necessary that all drug products proposed to be covered be identified by individual NDC and proposed prices listed in the "AWP minus" format; for example, AWP – 30%. Providers should attach the list of products offered and the specific pricing for each product. Note that the State may convert to a different pricing format (for example, AMP or WAC) in the future. Should that occur, the State will work with the Provider to identify comparative pricing.

3. All prices proposed must incorporate dispensing fees and shipping costs and the cost of utilization management, other beneficiary and provider services, standard reporting, and account management.

4. Providers must describe potential drug cost savings and the basis of the savings must be explained in the price proposal section. Estimated cost reductions for drugs should be specific to each product and can vary by product.

5. Providers must describe if there are negative consequences in some areas of the drug budget resulting from implementation of specialty pharmacy services and to what extent they might be minimized or neutralized by benefits realized in other areas.

Providers will be paid for covered products based on the amounts accepted by the State as a result of this RFP and the execution of a Provider Agreement.

State of Vermont
Office of Vermont Health Access
Specialty Pharmacy Services
Cost Proposal

Provider:

Condition	*Products*	*Basis of Cost*	*Savings Impact*
Specialty pharmacy condition	**List each product for each condition separately. List each product name and NDC.**	**AWP minus "%", by drug**	
RSV			
Hemophilia			
Growth Hormone			
MS			
Other			

Notes:

1. **Refer to the configuration of price/cost proposal description and instructions in completing this cost proposal grid.**
2. **Include the cost of dispensing, shipping, and utilization management in the cost of each drug.**
3. **Include all specialty drugs associated with the treatment of the following conditions:**
   - RSV
   - Hemophilia
   - Growth Hormone Deficiency
   - Multiple Sclerosis
   - Other: The provider may include other conditions requiring specialty pharmacy services that the Provider has the capacity to deliver. The Provider should be specific if other conditions are included.

SECTION III.

PROVIDER SERVICES

III-A GENERAL REQUIREMENTS

Through this RFP, the State is asking the Provider about its capabilities in regard to the requirements set out in this section.

The Provider should describe its ability to meet the requirements, any unique or innovative method the Provider proposes in meeting the requirement, applicable experience the Provider has in performing the service in other settings, and any other relevant information. If the Provider is not able to meet any requirement, it should describe in detail the limitations of its capacity. If the Provider's proposes to exceed the requirements, this should likewise be described in detail in the Provider's proposal.

The Provider should describe its ability to meet any applicable implementation schedule, the lead time to implement the Provider Agreement services, and describe the organizational structure, responsibilities, and key personnel involved with implementation and other relevant information that will allow the State to judge the capacity of the Provider to execute successfully the Provider Agreement requirements.

III-B PROVIDER SERVICES AND REQUIREMENTS

The State is seeing an increasing number of beneficiaries that require complex and challenging drug therapies to manage their chronic diseases/conditions. Many specialty therapies are products that require special handling and patient monitoring. Examples of these chronic diseases/conditions include but are not limited to RSV, Growth Hormone Deficiency, Hemophilia, and Multiple Sclerosis. The State intends to implement specialty pharmacy services for RSV first, followed by services to the other conditions listed above, or other conditions that the Provider has identified in its proposal.

The State seeks a specialty pharmacy services program that will maximize the quality of patient care and therapeutic compliance in the most cost effective manner. The Provider will assist the State in identifying individuals who would qualify for the program. The State will use medical and pharmacy claims data in its identification process.

The Provider's program must work with community prescribers to ensure a transition to the program that is not disruptive to the beneficiary's care. The Provider's program may have to work in collaboration with other State programs and operations including but not limited to the Pharmacy Benefit Management program, Chronic Care Management Program, and Care Coordination Program.

The State has systems in place through its PBM vendor contract to provide for claims processing and other related claims' systems' tasks. The Specialty Pharmacy Provider will be a considered a Medicaid Provider and payments for specialty pharmaceuticals will be made through claims

processed by the PBM vendor and paid through the State's Medicaid fiscal agent. Under this scenario, the Provider will transmit a claim electronically to the PBM vendor and the PBM vendor will perform all of the tasks associated with processing the claim including prior authorization of medications if applicable. Once a claim is adjudicated the PBM vendor will transmit the claim to the Medicaid fiscal agent for payment to the Specialty Pharmacy Provider.

General

The Provider must have a claims system with the following capacities or specifications:

1. Compliance with all applicable published HIPAA requirements within the time frames established in the HIPAA rules.
2. Compliance with NCPDP standards.

The Provider's response must:

1. Describe its ability to bill pharmacy claims electronically.
2. Describe its experience in managing specialty programs and cost savings attributed to the implementation of those programs.
3. Describe the programs it is prepared to offer to support the management of patients including the scheduling of product delivery, minimizing off-label use, and preventing drug wastage.
4. Provide a complete and detailed description of its specialty pharmacy operations.
   a. Include a flow chart of the process from receipt of the prescription until the drug is shipped.
   b. Include a description of how deliveries are tracked.
   c. Complete the following performance grid:

Calendar year	*Claims turnaround time without intervention (days)*	*Claims turnaround time out intervention (days)*
2006		
2005		

5. Describe how its program can assure the availability of products necessary to treat the identified diseases/conditions.
   a. Include a description of procedures for when products are out-of-stock.
   b. Declare out-of-stock rate for the last year.
   c. Include a description of policies on lost or delayed products.
   d. Include a description of how emergency deliveries are handled.
6. Describe how its specialty pharmacy services are different from other vendors.
7. Include a detailed description of the process and requirements for implementation of its operations.

Diseases/Conditions

The proposal should identify the conditions or diseases that can be addressed by the Provider including the four identified below plus any others proposed by the Provider:

RSV
Growth Hormone Deficiency
Hemophilia
Multiple Sclerosis
Others

For each disease/condition, the Provider should:

1. Identify the specialty pharmacy products that they have to offer for the disease/condition. These should be displayed in Table format.
2. Describe the product distribution network/system that will be used by the Provider. If the Provider uses a sub-contractor for distribution of a given product, indicate the facility and location that will distribute the product.
3. Provide a description of the clinical management staff and its expertise. Identify the key individuals involved that are specific to this proposal. Describe training needs and processes in order for staff to understand the Vermont health care delivery system.

Reporting

The Provider should describe and submit a sample of its standard report package that will be generated on a calendar quarter basis.

Note: Neither the State nor the Provider will have ownership in any of the software owned by the other party and used in connection with services rendered under the Provider Agreement. The State will agree that it acquires no right, title, interest, or license to the Provider's system by virtue of the Provider Agreement. In the event the State is granted possession of, or access to, any of the Provider's proprietary software products, the State will execute in advance a Software License Agreement as agreed to with the Provider.

At a minimum, the Provider should describe its ability to produce the following reports:

1. **Script Turnaround Time:** A report that identifies the turnaround time from receipt of prescriptions until ship date for in-stock items with no intervention required.
2. **Stock Management:** A report that identifies prescriptions where items were not in stock upon request, steps taken to assure access to the item within two business days, and the day the item became available to the beneficiary from an alternative source or the day on which the Provider dispensed the product
3. **Dispensing Accuracy:** A report that can demonstrate the accuracy of all medications dispensed by specialty mail order. Error rates should be expressed as a percentage of prescriptions filled or refilled on a monthly basis.
4. **Call Center Response Time:** A report that describes the Call Center's average speed of answer (ASA). The Provider should identify the time intervals that can be identified in seconds (for example, 0-5 seconds, 6 -10 seconds, etc.) for this data report.

5. **Utilization Management:** A report that identifies utilization by disease state and by physician.
6. **Ad-hoc Reports:** The provider should describe its ability to produce ad hoc reports.

The Provider should include the template of any patient satisfaction survey that has been used by the Provider. Where used, the Provider should supply a summary report of the survey's findings, including the period covered by the survey. The results can mask the client or population whose survey results are reported.

Utilization Management

The Provider should:

1. Describe its utilization management programs for identified disease states/conditions. If they are different for specific diseases, the differences should be described.
2. Address the capacity of its utilization management services.
3. Address its capacity, where appropriate, to use face-to-face discussions with health care professionals in order to improve clinical care.
4. Describe any methods or processes it employs to interface with existing care management systems/processes.
5. Include how disease identifiers such as ICD9, ICD10 and other values are collected, captured and documented.
6. Identify the process used to identify and notify the State of any new indications or use for approved medications or new to the market products that are appropriate to include as a specialty pharmacy service.
7. Describe its ability to present recommendations for additions or changes to the utilization management program and interventions.

Administration and Account Management

The Provider should:

1. Describe its beneficiary and prescriber telephone support systems.

   Include specific descriptions of the following:

   a. The customer service center technology,
   b. The contact/call tracking procedures, and
   c. The training and quality programs used in the center.

   The State presently provides telephone support for its Medicaid beneficiaries through its Member Services Unit (MSU). The State maintains provider services functions for provider enrollment and payment through its Medicaid fiscal agent and for pharmacy clinical operations and claims processing through its PBM vendor.

   The Provider must:

a. Interface with the State's MSU to assist in addressing beneficiary issues. This should include telephone response and a capacity to provide service information.
b. Provide toll-free telephone access to support technical system operations for prescribers. Providers should provide detailed explanations as to the manner in which telephone support will operate in order to respond to inquiries, questions and problems regarding operations.
c. Supply all required information systems, telecommunications, and personnel to perform these operations.
d. Apply a QA program that samples calls and follows up to confirm efficient handling and caller satisfaction.

2. Describe its prescriber and beneficiary education activities.

The State believes that prescriber and beneficiary education is essential to the success of the program.

The Provider is expected to:

a. Use a variety of educational strategies for prescribers and beneficiaries in order for them to understand the specialty pharmacy program, its benefits, and its requirements.
b. Make available beneficiary brochures and text for Member Handbooks that provide information about the beneficiary's specialty pharmacy benefits. Any member education material shall be reviewed and approved by the State prior to distribution.
c. Provide ongoing training and support to the State's Member Services staff.

The Provider's proposal regarding beneficiary and prescriber materials should:

a. Include descriptions of program implementation as well as maintenance education materials for patients and prescribers that answer common questions that include but are not limited to: How will prescribers and patient know when they will be served by the Provider? How will problems and issues be addressed?
b. Include samples of beneficiary materials such as specialty pharmacy program announcement letters; specialty pharmacy program brochure; and patient profile or like order forms and pre-addressed envelopes. In this area the State requirements are as follows:
    i. The Provider shall be prepared to provide a prescription drug program announcement letter customized and printed on State specified letterhead announcing that a prescription benefit is available and providing a toll-free customer service number.
    ii. A specialty prescription drug program benefit brochure shall be developed and customized with the State specified name and logo. The brochure shall highlight required features of the program including:
        - the options for access locally and/or by mail,

- the convenience and quality of the service,
- the benefits of the use of generics where available, and
- information on:
    - how to participate,
    - ordering instructions,
    - using the toll-free customer service number, and
    - the availability of a 24 hours per day/7 days per week refill request line.

iii. A patient profile order forms or like shall be used to obtain both mailing and medical information about the patient, such as drug allergies and/or existing health conditions, and to serve as the mail order form. Pre-addressed envelopes shall be supplied for the participant's convenience.

3. Describe its plan to staff this operation.

   The Provider shall meet the staffing requirements as set out in its response to the RFP. The Provider must provide an identified Project/Account Manager who will act as the single point of contact representing the Provider during the term of the Provider Agreement. The term "dedicated" is used to indicate that the Project/Account Manager is assigned to the project and is accessible to the State during work hours during implementation and operational phases of the Provider Agreement. This individual must be authorized to commit the resources of the Provider in matters pertaining to the implementation and operations performance of the Provider. This individual should be identified in the Provider's proposal.

   The Provider shall provide access to clinical and technical staff at the Provider's home office. This staff should be available to the State and to the State's agents. The Provider shall provide the State with a key contact list to include name, area of expertise/responsibility, telephone number/extension, and e-mail address.

III-C DISASTER RECOVERY

In the event of a natural disaster and unnatural disasters, including but not limited to hacking and acts of terrorism, the Provider must have a system in place for providing services so that beneficiaries are not denied access to prescriptions. The Provider shall present to the State a disaster recovery and business continuity plan for review and approval during the implementation phase.

III-D POST IMPLEMENTATION

The Provider shall be responsible for routine maintenance for its operations and/or systems. Routine maintenance shall include changes required because of determinations by the State or by the Provider that a deficiency exists with the operations and/or systems, including deficiencies found after the implementation of any modifications, or that continued efficiency could be maintained or achieved through the proposed activity. Modifications may be required that are outside routine operations and systems maintenance activities. They would result when the State

or the Provider determines that an additional requirement needs to be met or that a modification is needed. The Provider's claims' submittal system must remain compliant with NCPDP standards for pharmacy submissions.

SECTION IV.

EVALUATION METHODOLOGY

Responses to this RFP shall be evaluated using a three-step selection process, as follows:

- Step I – Mandatory Proposal Requirements: The State has established certain mandatory requirements. Failure to meet any one of these requirements shall result in disqualification.
- Step II – Merits of the Provider and the Provider's Proposed Project: The Provider shall be assigned a score based on the company's experience, the Provider personnel assigned to the project, and the proposed approach and methodology. This score shall comprise 50% of the overall scoring methodology.
- Step III – Price Analysis: The Provider shall be assigned a score based on the prices provided by the Provider. This score, combined with the score described in Step II, will be used to evaluate each proposal and to determine the Provider or Providers with the highest overall score. The price proposal shall comprise 50% of the overall scoring methodology. These steps are described in more detail below.

Step I – Mandatory Proposal Requirements

THESE ARE ABSOLUTE REQUIREMENTS. FAILURE TO MEET ANY ONE OF THE REQUIREMENTS LISTED BELOW SHALL RESULT IN DISQUALIFICATION FROM BEING FURTHER CONSIDERED IN THIS BID PROCESS.

1. Minimum Capacity – The Provider must describe and demonstrate that it has the capacity to fulfill the requirements and needs set forth in this RFP.
2. Minimum Experience – The Provider must have at least three years of operating experience administering specialty pharmacy services and an automated system that can interface with the State's PBM contractor.
3. Other - The Provider must demonstrate, through its proposal, that its program includes the following elements:
    a. An operational process that shall be in compliance with all Federal and State regulations and mandates as described herein and be HIPAA compliant.
    b. A proposed implementation timeline following execution of a Provider Agreement with the State that meets the requirements as set out in this RFP.
4. The Provider must accept the performance standards, corrective actions, and damages identified in this RFP. Performance standards are part of this RFP.
5. The Provider must identify all owners and subsidiaries that own more than five percent (5%) of the Provider.
6. The Provider must identify all sub-contractors and the subcontractor's scope of work, as specified in Section II-B.
7. The Provider must meet all other submission requirements.

Step II – Merits of the Provider and the Provider's Proposed Project

Only proposals passing Step I shall be considered during Step II. The Step II review includes:

- Provider Capability, Qualifications and Experience
- Qualified Personnel and Location
- Approach and Methodology for Implementation and Continued Operations
- Aptness and Brevity of Response

The Step II review will comprise 50% of the scoring methodology.

Step III – Cost Analysis

A description of how Providers should structure the cost proposal is provided in Section II-H of this RFP.

The Price proposal shall comprise 50% of the overall scoring methodology.

Since there will be no opportunity for Providers to revise the pricing, and there will not be a Best and Final Offer (BAFO) process, the Provider should carefully calculate and propose its prices for the services requested herein.

SECTION V.

PROVIDER AGREEMENT TERMS AND CONDITIONS

In addition to the required provisions that relate to all state Provider Agreements, this section sets out additional provisions the Providers should be aware of in preparing its response to the RFP.

V-A TERM OF PROVIDER AGREEMENT

The duration of the Provider Agreement is annual for up to three (3) years. There may be extension of an additional three (3) years at the discretion of the State. Thus, the maximum term of the Provider Agreement is annually up to six (6) years. The Provider is responsible for obtaining and maintaining any pharmacy license required by the State of Vermont. Licensing information and requirements can be obtained through the Vermont Secretary of State's office.

V-B PROVIDER AGREEMENT ADMINISTRATOR

Upon State approval of a Provider Agreement, and following execution of said Provider Agreement, the State shall direct the Provider to administer the Provider Agreement on a day-to-day basis during the term of the Provider Agreement. However, administration of any Provider Agreement resulting from this Request implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications of such Provider Agreement. That authority is retained by the State.

The Provider Agreement Administrator and Project Manager is:

Ann Rugg, Deputy Director
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, VT 05495
Telephone: (802) 879-5911

An alternative project manager may be designated by the State.

V-C COST LIABILITY

Vermont assumes no responsibility or liability for costs incurred by the Provider or prior to the signing of any Provider Agreement resulting from this RFP. Total liability of the State is limited to the terms and conditions of this RFP and any resulting Provider Agreement.

V-D PROVIDER RESPONSIBILITIES

The Provider shall be required to assume responsibility for all Provider activities offered in this proposal whether or not the Provider performs them. Further, the State shall consider the Provider to be the sole point of contact with regard to services offered under the Provider Agreement, including payment of any and all charges resulting from the Provider Agreement. If

any part of the work is to be offered by sub-contractors, the response to this RFP should include *a list of sub-contractors, including firm name and address, contact person, complete description of work to be sub-contracted, and descriptive information concerning the sub-contractor's organizational abilities.* The State reserves the right to approve sub-contractors for this project and to require the Provider to replace sub-contractors found to be unacceptable. The Provider is totally responsible for adherence by the subcontractor to all provisions of the Provider Agreement and the provisions of this RFP.

The Provider and any sub-contractor must commit to the entire period of any Provider Agreement resulting from this RFP unless a change of sub-contractor is specifically agreed to by the State.

The Agreement between the Provider and the State will not be assignable to another party without prior written permission from the State. The Provider shall give advance notice to the State on any intended sale of the Provider entity. The State will have the option of terminating the Provider Agreement with the Provider upon the sale of the Provider entity.

V-E NEWS RELEASES

News releases pertaining to this document or the services to which it relates, shall not be made without prior State approval (verbal or written as specified by the State), and then only in accordance with the explicit written instructions from the State. No results of the program are to be released without prior written approval of the State and then only to persons designated.

V-F FREEDOM OF INFORMATION AND PRIVACY ACT / DISCLOSURE

All material submitted by Providers becomes the irrevocable and sole property of the State of Vermont. The State reserves the right to use all concepts, data, ideas, or configurations, presented in any proposal, whether or not the proposal is selected.

All materials relating to this procurement are subject to the terms of the Freedom of Information Act, the Privacy Act, and all rules, regulations, and interpretations of these Acts, including those from the Offices of the Attorney General of the United States, Health and Human Services, Centers for Medicare and Medicaid Services, and the State of Vermont. The Provider, by submitting a proposal, agrees that the Privacy Act of 1974, Public Law 93-579, and the Regulations and General Instructions issued pursuant thereto, are applicable to any Provider Agreement, and to all sub-contractors providing services under such an agreement. Should the Provider's proposal include any materials that are proprietary and are to be treated confidentially, those materials must be clearly and separately identified.

V-G GRATUITIES OR KICKBACKS

The State prohibits Gratuities and Kickbacks.

V-I APPROPRIATIONS

If the Provider Agreement extends into more than one fiscal year (July 1 to June 30), and if appropriations are insufficient to support the Provider Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority.

V-J OTHER PROVISIONS

Vermont has specific requirements for pharmacy providers that are included in the Provider Manual that is in the Library.

V-K PERFORMANCE STANDARDS AND PENALTIES

The Provider must agree to abide by Performance Standards and Penalties. If the Provider disagrees with the State's penalties, the Provider should include in its proposal what financial penalty they will offer as a performance guarantee.

Service Performance Standards	Guarantee	Description of Penalty and Frequency
1. Reporting Requirements	Provider must agree to provide all the reports specified in this RFP and Provider's proposal within the stated time periods.	$1,000 if any of the specified reports are not submitted as required. Reports are required on a calendar quarter basis and are due fifteen business days following the close of the quarter.
2. Turnaround Time for Clean Claims	Turnaround time from receipt of prescriptions or refill reminder until ship date for in-stock items with no intervention required.	$500 per day for each day beyond 2 business days for each prescription or refill reminder.
3. Accuracy	99.5% of all medications to be dispensed without error.	$1,000 per quarter if error rate > 0.5%. To be evaluated by the State every quarter.
4. Call Center Response Time	Average speed of answer (ASA) within 20 seconds and abandon rate less than 3%. Define basis for measuring response time.	$1,000 per month if ASA > 20 seconds over a 6 month period or the abandon rate greater than 3%.

LIST OF ACRONYMS, DEFINITIONS AND TERMS USED BY OVHA

ACRONYMS

AHS	Vermont Agency of Human Services
AMAP	AIDS Medication Assistance Program
AMP	Average Manufacturer Price
AWP	Average Wholesale Price
COB	Coordination of Benefits
DEA	Drug Enforcement Agency
DUR	Drug Utilization Review
EFT	Electronic Funds Transfer
EOB	Explanation of Benefits
EOP	Explanation of Prescription
FFS	Fee-For-Service
FPL	Federal Poverty Level
GCNSEQ	Generic Code Number Sequence
CMS	Centers for Medicare and Medicaid Services
GC	Vermont's Global Commitment to Health
HIPAA	Health Insurance Portability and Accountability Act of 1996
IT	Information Technology
LTC	Long-Term Care
MAC	Maximum Allowable Cost
MARS	Management and Administrative Reporting System
MCO	Managed Care Organization
MMIS	Medicaid Management Information System
MSU	Member Services Unit
NCPDP	National Council for Prescription Drug Programs
NDC	National Drug Code
OBRA '90	Omnibus Budget Reconciliation Act of 1990
OI	Other Insurance; also called Third Party Liability or Coordination of Benefits
OVHA	Office of Vermont Health Access
P&T Committee	Pharmacy and Therapeutics Committee
PA	Prior Authorization
PBM	Pharmacy Benefits Management
PDL	Preferred Drug List
PI	Program Integrity
POS	Point-of-Sale
RA	Remittance Advice
SCHIP	State Children's Health Insurance Program
SPAP	State Pharmacy Assistance Program
SSDC	Sovereign States Drug Consortium
SURS	Surveillance & Utilization Review System
TPL	Third Party Liability, also called Other Insurance or Coordination of Benefits

VHAP	Vermont Health Access Plan (1115(a)) Waiver
WAC	Wholesale Acquisition Cost

DEFINITIONS

Claim	A bill rendered by a provider to the State for a procedure, drugs, medical supplies and equipment, or services rendered for a given diagnosis or a set of related diagnoses.
Compounded Drug Prescriptions	Commercially unavailable prescription drugs, which are compounds of multiple ingredients, prepared by a pharmacist.
Data Element	A specific unit of information having a unique meaning.
EVS	EVS (Eligibility Verification System) is the provision of eligibility status information by the selected Provider to providers of medical services for those individuals seeking services.
History Claim	Claims that have been adjudicated and appear in the adjudicated claims history file.
Provider	A person, organization, or institution certified to provide health or medical care services authorized under the State Medicaid Program.
Specialty Pharmacy	Pharmacy that specializes in managing patients with chronic conditions that usually require high dollar injectible products, and have complex care issues that are most appropriately managed through utilization management programs
State	The State of Vermont